

HOUSE BILL 384

IN THE HOUSE

January 24, 1979	Introduced and referred to Committee on State Administration.
February 21, 1979	Committee recommend bill, do not pass.
February 22, 1979	Report adopted.

House BILL NO. 384

1 INTRODUCED BY Salis

2 BY REQUEST OF THE DEPARTMENT OF COMMUNITY AFFAIRS

3 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROVISIONS
4 RELATING TO AUDIT FEES CHARGED BY THE DEPARTMENT OF
5 COMMUNITY AFFAIRS; AMENDING SECTION 2-7-503, MCA; AND
6 REPEALING SECTION 2-7-516, MCA."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8 Section 1. Section 2-7-503, MCA, is amended to read:

9 "2-7-503. Annual audits of local governmental entities
10 ~~fees.~~ (1) The department shall audit the affairs of all:

11 (a) counties;

12 (b) incorporated cities and towns;

13 (c) school districts;

14 (d) school district extracurricular fund for pupil
15 functions;

16 (e) irrigation districts;

17 (f) conservancy districts;

18 (g) fire districts and volunteer fire departments in
19 unincorporated areas, towns, and villages supported by a
20 mill levy;

21 (h) fire department relief associations.

22 (2) Each audit shall be made annually and shall cover

1 the immediately preceding fiscal year of the governmental
2 entity.

3 (3) Each annual audit shall be initiated not later
4 than 12 months from the close of the fiscal year for which
5 the audit is conducted.

6 (4) In addition to the annual audits required by this
7 section, the department may at any time conduct a special
8 audit of the affairs of any governmental entity referred to
9 in this part.

10 (5) ~~The fee for the special audit shall be a charge~~
11 ~~based upon the costs incurred by the department in the~~
12 ~~conduct of such special audit. The department shall charge a~~
13 ~~fee of \$20 an hour for each person engaged in the conduct of~~
14 ~~each annual and special audit. The audit fee herein provided~~
15 ~~shall be paid by the governmental entity to the state~~
16 ~~treasurer and credited to the state general fund."~~

17 Section 2. Repealer. Section 2-7-516, MCA, is
18 repealed.

-End-

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INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 140-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 25, 19 79, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF LEGISLATION:

House Bill 384 would make the audit fee charged local governments by the Department of Community Affairs uniform for all types of governmental entities.

ASSUMPTIONS:

Audit Staffing Pattern will remain the same.

Amount of billable hours will remain the same.

Number of audits of each type (county, city, town, school district, rural fire district, etc.) will remain the same.

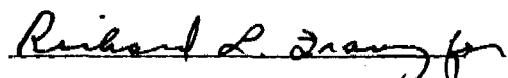
REVENUE IMPACT:

Audit fees credited to State General Fund:

	FY 1980	FY 1981
Under Current Law	\$306,000	\$ 306,000
Under Proposed Law	<u>421,140</u>	<u>421,140</u>
Increased Revenue	<u>\$115,140</u>	<u>\$ 115,140</u>

LOCAL IMPACT:

Local government expenditures statewide would increase by \$115,140.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/31/79

STATE OF MONTANA

REQUEST NO. 261-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 1979, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill amends section 15-30-131, to allow nonresident taxpayers to deduct either those deductions relating to the production of Montana income or a prorated amount of the deductions allowed under section 15-030-121, MCA, whichever is greater.

ASSUMPTIONS

- a) The Department of Revenue forecast of individual income tax receipts for the 80-81 biennium is the basis for comparison.
- b) Under the proposed law the average amount of the itemized deductions claimed by 25,000 non-resident filers will be increased by between \$1,200 and \$1,500.
- c) The average effective tax rate is 5.59%.

FISCAL IMPACT

	FY 80	FY 81
<u>Individual Income Tax Collections</u>		
under current law	\$154.268 M	\$169.790 M
under proposed law	\$152.172 - \$152.591 M	\$167.694 - \$168.113 M
Estimated Decrease	(\$ 1.677 - \$ 2.096 M)	(\$ 1.677 - \$ 2.096 M)

FUND INFORMATION

General Fund

under current law	\$ 98.732 M	\$108.666 M
under proposed law	\$ 97.390 - \$ 97.658 M	\$107.324 - \$107.592 M
Estimated Decrease	(\$ 1.074 - \$ 1.342 M)	(\$ 1.074 - \$ 1.342 M)

Earmarked Fund

under current law	\$ 38.567 M	\$ 42.447 M
under proposed law	\$ 38.043 - \$ 38.148 M	\$ 41.924 - \$ 42.029 M
Estimated Decrease	(\$ 0.419 - \$ 0.524 M)	(\$ 0.418 - \$ 0.523 M)

Sinking Fund*

under current law	\$ 16.969 M	\$ 18.677 M
under proposed law	\$ 16.739 - \$ 16.785 M	\$ 18.446 - \$ 18.492 M
Estimated Decrease	(\$ 0.184 - \$ 0.230 M)	(\$ 0.185 - \$ 0.231 M)

*A portion of this account may be transferred to the general fund as long-range bond excess.

Richard D. Dray for
BUDGET DIRECTOR

Office of Budget and Program Planning
Date: 2/9/79

STATE OF MONTANA

REQUEST NO. 261-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 7, 1979, there is hereby submitted a Fiscal Note for House Bill 384 pursuant to Chapter 53, Session Laws – Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Department of Administration, Budget Bureau, to members of the Legislative Assembly upon request.

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LONG-RANGE EFFECTS

Loss of \$2 million per year.

TECHNICAL NOTE

a) Revenues to the indicated Earmarked Revenue Account are used to support the Public School Foundation Program. Therefore, any decrease in revenues to that program may necessitate additional support from other sources.

PREPARED BY DEPARTMENT OF REVENUE

CHIEF, BUDGET BUREAU
Department of Administration
Date: _____